

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

- NSL
- NSP
- DD
- SD

ECEI

APR 12 1999

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

- DHC
- CTB
- PLC
- PC
- OLS
- OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

- WFX
- PMX
- SWD
- IPI
- EOR
- PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ~~X~~ Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

James Bruce
Signature

Attorney for Applicant
Title

4/8/99
Date

Print or Type Name

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

April 8, 1999

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Amended application of Devon Energy Corporation (Nevada) ("Devon") for administrative approval of an unorthodox oil well location:

Logan "35B" Fed. Well No. 10
650 feet FSL & 2410 feet FWL
SW~~1~~SE~~4~~ S35, Township 17 South, Range 27 East, NMPM
Eddy County, New Mexico

Dear Mr. Stogner:

Devon withdraws its original application for approval of the above unorthodox location, and submits the following materials for its amended application:

1. A copy of the original application, requesting approval of an unorthodox location solely for the Red Lake Queen-Grayburg-San Andres Pool; and
2. A copy of a Sundry Notice requesting approval to drill the well to a depth sufficient to test the Northeast Red Lake Glorieta-Yeso Pool.¹

The unorthodox location is sought primarily for the Red Lake-Queen-Grayburg-San Andres Pool, and thus is based on the reasons set forth in the original application. The amended request is based on recent drilling activity in the area, which established Glorieta-Yeso production. Glorieta-Yeso wells are low volume producers, as are Queen-Grayburg-San Andres wells, and thus Devon seeks

¹The Northeast Red Lake Glorieta-Yeso Pool is being expanded to include the S $\frac{1}{2}$ of Section 35 in Division Case 12160.

unorthodox location approval for both zones.² Downhole commingling approval will be sought administratively on a well-by-well basis.

You had inquired about wells on this acreage operated by Mason-Phillips Properties. Those wells are (or were) part of the South Red Lake Unit, which was terminated last fall. The unitized interval was 1430-1762 feet subsurface, defined as the Grayburg formation. Devon owns the working interest in the subject land from 1762 feet subsurface (the top of the San Andres formation) to the top of the Abo formation.³ Thus, Devon owns a portion of the rights in the Red Lake Queen-Grayburg-San Andres Pool, and all rights in the Glorieta and Yeso formations. Devon's wells will not be completed above 1762 feet subsurface.

Based on the foregoing, Devon requests approval of the above unorthodox location as to both pools. Please call me if you need anything further on this matter.

Very truly yours,



James Bruce

Attorney for Devon Energy
Corporation (Nevada)

²Royalty and overriding royalty ownership in the well unit is common as to all depths involved in this application.

³Rights from the surface to 1430 feet subsurface, which would presumably include the Queen formation, are owned by persons other than Devon or Mason-Phillips.

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

October 5, 1998

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Devon Energy Corporation (Nevada) ("Devon") applies for administrative approval of the following unorthodox oil well location:

Logan "35" Fed. Well No. 10
650 feet FSL & 2410 feet FEL
SW $\frac{1}{4}$ SE $\frac{1}{4}$ (Unit O) §35, Township 17 South, Range 27 East, NMPM
Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the San Andres formation (Red Lake Queen-Grayburg-San Andres Pool). The pool is subject to statewide rules, with 40 acre well units, and wells to be located no closer than 330 feet to a quarter-quarter section line. Attached as Exhibit A is a Form C-102 for the well.

The original location proposed by Devon was orthodox: 500 feet FSL and 2310 feet FEL. The current location is non-standard due to topographic reasons. Attached as Exhibit B is a plat of the well pad, which shows that there are pipelines or power lines at or near the original location. In addition, there are existing wells at the original location. See Exhibit C. Thus, an unorthodox location is required.

Attached as Exhibit C is a land plat of the area, showing that the well is on federal lease LC 028775-A, which covers the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$. Thus, the well is only moving toward the same lease, and notice has not been given to any interest owner.

In Case 11996, Devon presented evidence that the subject pool is continuous across this area, trending in a northeast-southwest

direction. Thus, geology is not a factor in these well locations. There are numerous draws, elevation changes, and pipelines and other facilities in the area, which often necessitate unorthodox locations. Wells in this pool drain less than 20 acres, and Devon is infill drilling each well unit. Exhibit C shows that Devon has plans to drill two wells on each well unit.¹ Devon is also considering the possibility of a future waterflood for this pool, and the proposed well fits into a waterflood pattern. Directional drilling the well to an orthodox location is not feasible. Wells in the pool are not prolific producers (averaging 50,000 barrels in reserves), and the added drilling and operating costs would make the wells uneconomic.

Based on the foregoing, Devon requests approval of the above unorthodox location. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Devon Energy
Corporation (Nevada)

¹Devon only acquired both leases a few months ago, and thus development has just begun.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., Artec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

EXHIBIT # 2 Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 51300	Pool Name Red Lake (Q-GB-SA)
Property Code	Property Name LOGAN "35" FEDERAL	Well Number 10
OGRID No. 6137	Operator Name DEVON ENERGY CORPORATION	Elevation 3605'

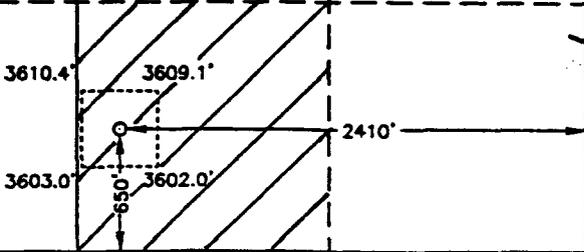
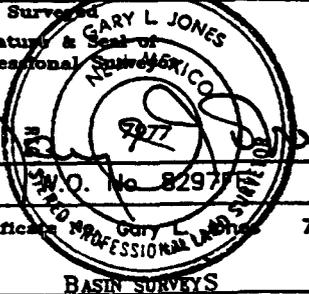
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	35	17 S	27 E		650	SOUTH	2410	EAST	EDDY

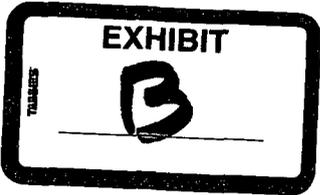
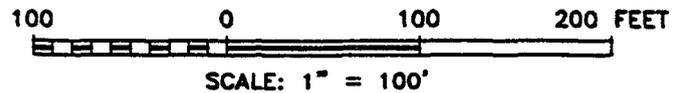
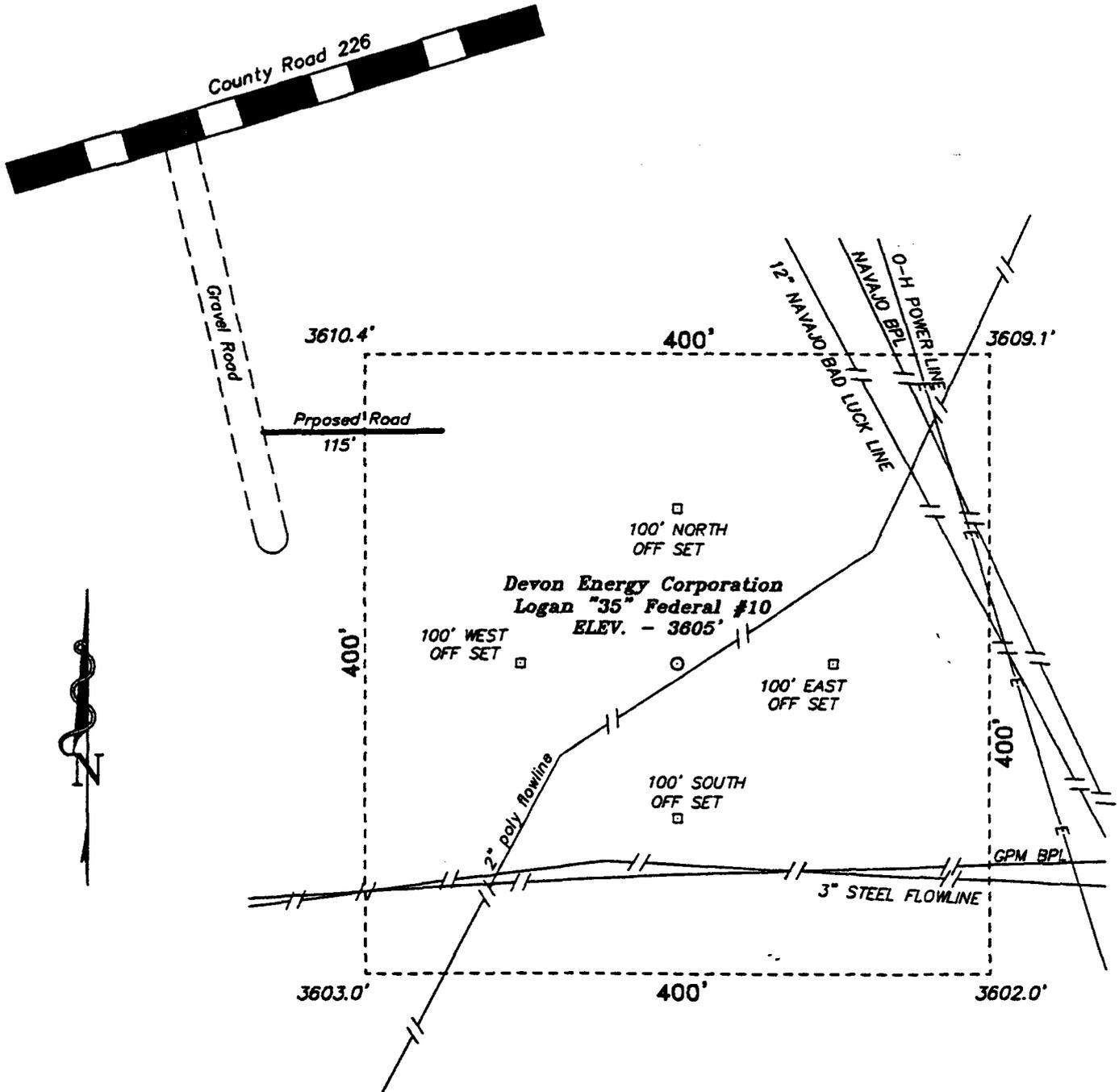
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill	Consolidation Code		Order No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>E. L. Buttross Jr.</u> Signature</p> <p><u>E.L. Buttross, Jr.</u> Printed Name</p> <p><u>District Engineer</u> Title</p> <p><u>9/9/98</u> Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>August 24, 1998 Date Surveyed</p> <p><u>GARY L JONES</u> Signature & Seal of Professional Surveyor</p> <p></p> <p>Certification No. 82977 7977</p> <p>BASIN SURVEYS</p>

SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Devon Energy Corporation
 REF: Logan "35" Federal No. 10 / Well Pad Topo
 THE LOGAN "35" FEDERAL No. 10 LOCATED 650' FROM THE SOUTH LINE AND 2410' FROM THE EAST LINE OF SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

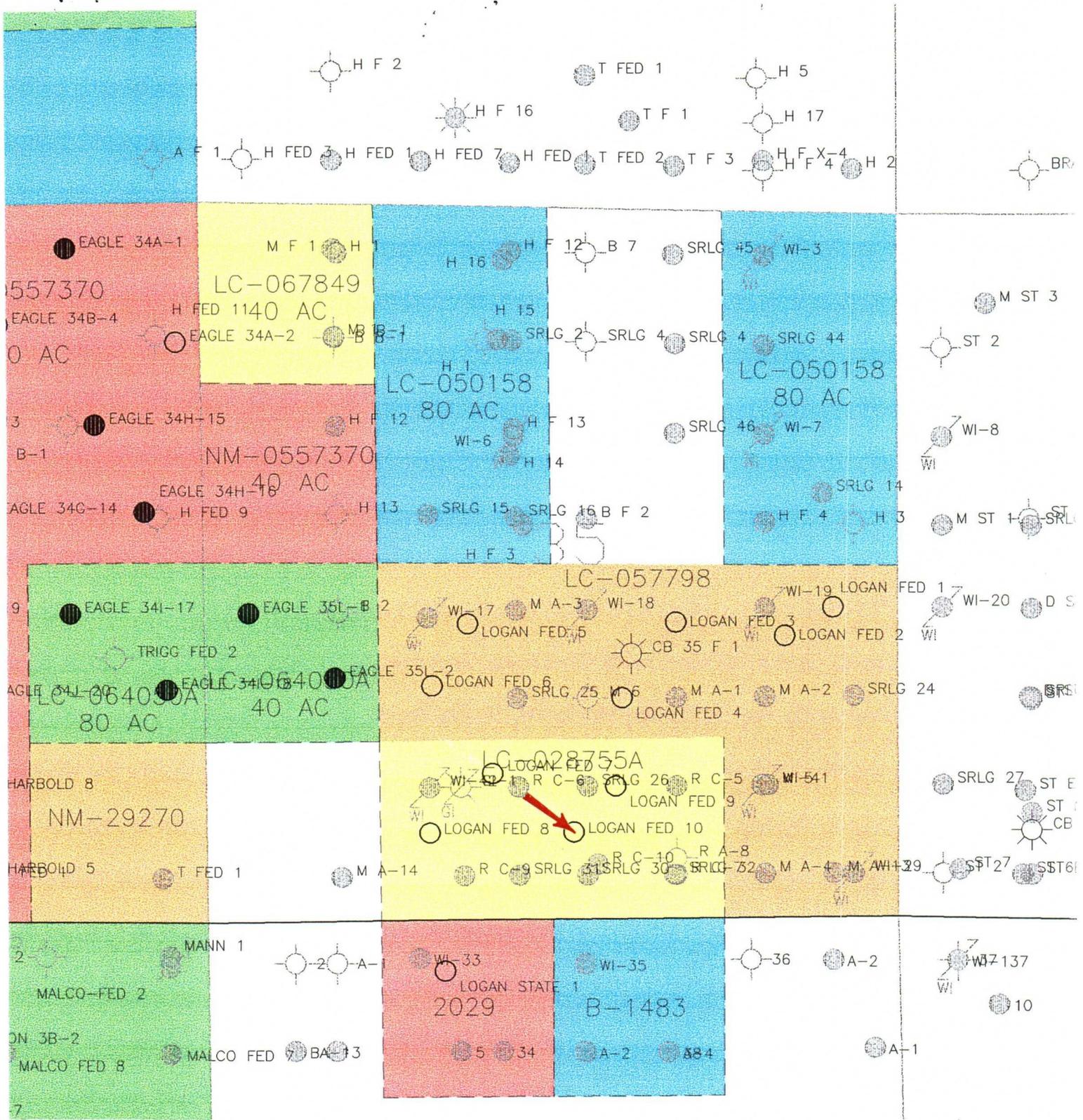


EXHIBIT
C

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
650' FSL & 2410' FEL of Section 35-T17S-R27E, Unit "O"

5. Lease Designation and Serial No.
LC-028755-A

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Logan "35" Federal #10

9. API Well No.
30-015-30466

10. Field and Pool, or Exploratory Area
Red Lake; Q-GB-SA

11. County or Parish, State
Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Amend TD & pool, name change</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The original Application for Permit to Drill, Form 3160-3, approved on 10/26/98 for a proposed depth of 3400' and the Red Lake (Q-GB-SA) pool. Devon Energy Corporation (Nevada) requests to amend the depth to 4000' and include the NE Red Lake (Glorieta-Yeso) pool.

Devon also requests to change the well name:

FROM: Logan "35" Federal #10

TO: Logan "35B" Federal #10



14. I hereby certify that the foregoing is true and correct

Signed *Tonja Rutelonis*
(This space for Federal or State office use)

Tonja Rutelonis

Title Engineering Technician

Date 2/9/99

Approved by (ORIG. SGD.) DAVID R. GLASS
Conditions of approval, if any:

Title PETROLEUM ENGINEER

Date FEB 18 1999

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations to any matter within its jurisdiction.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage. Sec., T., R., M., or Survey Description)
Section 35-17S-27E

5. Lease Designation and Serial No.
LC-028755-A

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
See Below

9. API Well No.

10. Field and Pool, or Exploratory Area
Red Lake (Q-GB-SA)

11. County or Parish, State
Eddy County, New Mexico

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change of Name</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Name changed:

From: Logan "35" Federal #10

To: Logan "35B" Federal #10

- PROPERTY CODE - 23831



14. I hereby certify that the foregoing is true and correct

Signed *Kimberly Crilly* Title Engineering Technician Date October 28, 1998
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representation to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN

1011

Form approved.

ARTESIA, NM DISTRICT OFFICE

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL DEEPEN

b. TYPE OF WELL:
OIL WELL GAS WELL Other _____
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
DEVON ENERGY CORPORATION (NEVADA) 6137

3. ADDRESS AND TELEPHONE NO.
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4511

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 650' FSL & 2410' FEL, Unit "O"
At top proposed prod. zone (SAME)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 7 miles southeast of Artesia, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 650'
(Also to nearest drlg. unit line if any)

16. NO. OF ACRES IN LEASE 80

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 350'

19. PROPOSED DEPTH 3400'

20. ROTARY OR CABLE TOOLS* Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GR 3605'

22. APPROX. DATE WORK WILL START*
November 15, 1998

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	14"	Conductor	40'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	1150'	350 sx Lite + 200 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	3400'	250 sx Lite + 350 sx Class C

* Cement will be circulated to surface on all casing strings.

Devon Energy plans to drill to 3400' +/- to test the San Andres Formation for commercial quantities of oil. If the San Andres is deemed non-commercial, the wellbore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

- Drilling Program
- Surface Use and Operating Plan
- Exhibit #1 - Blowout Prevention Equipment/ Choke Manifold
- Exhibit #2 - Location and Elevation Plat
- Exhibit #3 - Planned Access Roads
- Exhibit #4 - Wells Within a One Mile Radius
- Exhibit #5 - Production Facilities Plan
- Exhibit #6 - Rotary Rig Layout
- Exhibit #7 - Casing Design Parameters and Factors
- Exhibit #8 - H₂S Operating Plan

The undersigned accepts all applicable terms, conditions, stipulation, and restrictions concerning operations conducted on the leased land or portion thereof, as described above.

Bond Coverage: Nationwide
BLM Bond File No.: CO-1104

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.



SIGNED E. L. Buttross Jr.

TITLE E. L. BUTTROSS, JR.
DISTRICT ENGINEER

DATE 9/10/98

*(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ

Acting Assistant Field Office Manager,
Lands and Minerals

DATE OCT 26 1998

See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

EXHIBIT # 2 Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 51300	Pool Name Red Lake (Q-GB-SA)
Property Code	Property Name LOGAN "35" FEDERAL	Well Number 10
OGRID No. 6137	Operator Name DEVON ENERGY CORPORATION	Elevation 3605'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	35	17 S	27 E		650	SOUTH	2410	EAST	EDDY

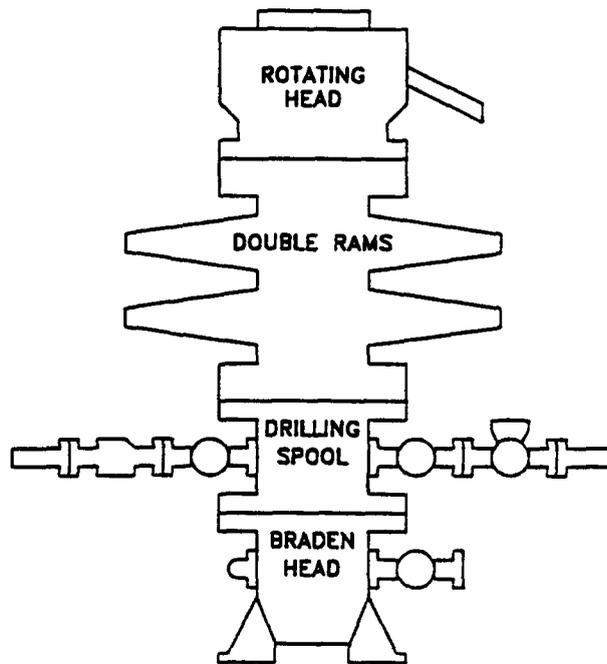
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

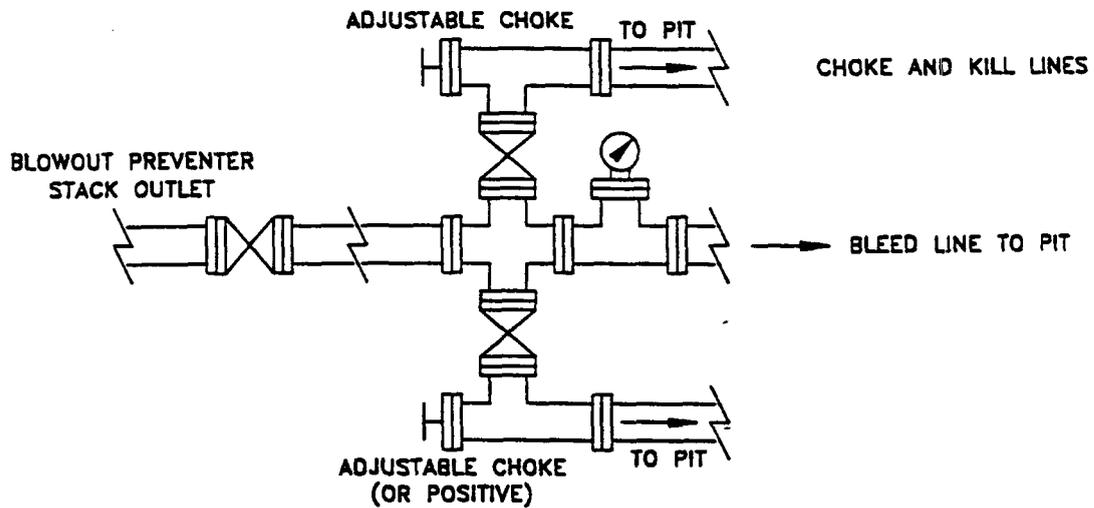
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>E. L. Buttross Jr.</u> Signature</p> <p>E. L. Buttross, Jr. Printed Name</p> <p>District Engineer Title</p> <p>9/9/98 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>August 24, 1998 Date Surveyed</p> <p><u>GARY L JONES</u> Signature & Seal of Professional Surveyor</p> <p>Professional Surveyor No. 8297 Certificate No. 8297</p> <p>7977 BASIN SURVEYS</p>



CHOKES MANIFOLD REQUIREMENT (2000 psi WP)



WEST RED LAKE AREA
 EDDY COUNTY, NEW MEXICO

SCHEMATIC
 BLOWOUT PREVENTOR
 (2000 PSI WORKING WP)

G:\...PROJECTS\EXPANDED

WRI BOP	

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTORS
Logan 35 Federal #10
Eddy County, New Mexico

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
2. Wear ring will be properly installed in head.
3. Blowout preventor and all associated fittings will be in operable condition and tested to 1000 psi with the rig pump.
4. All fittings will be flanged.
5. A full bore safety valve with proper thread connections will be available on the rotary rig floor at all times.
6. All choke lines will be anchored to prevent movement.
7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
8. Will maintain a Kelly cock attached to the Kelly.
9. Hand wheels and wrenches will be properly installed and tested for safe operation.
10. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.